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September 8, 2022

Summary of Non-consolidated Financial Results for the Six Months Ended July 31, 2022 (Under Japanese GAAP)

Company name: Artner Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 2163
 URL: <https://www.artner.co.jp/>
 Representative: SEKIGUCHI Sozo, President and CEO
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 Scheduled date to file quarterly securities report: September 12, 2022
 Scheduled date to commence dividend payments: October 7, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors and analysts; for individual investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-consolidated financial results for the six months ended July 31, 2022 (from February 1, 2022 to July 31, 2022)

(1) Non-consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
July 31, 2022	4,522	13.6	690	21.9	691	19.2	479	14.2
July 31, 2021	3,980	8.9	566	19.2	580	20.8	420	26.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended				
July 31, 2022	45.15		—	
July 31, 2021	39.53		—	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of			
July 31, 2022	5,507	3,844	69.8
January 31, 2022	5,088	3,582	70.4

Reference: Equity As of July 31, 2022: ¥ 3,844 million
 As of January 31, 2022: ¥ 3,582 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended January 31, 2022	—	14.00	—	20.50	34.50
Fiscal year ending January 31, 2023	—	20.00			
Fiscal year ending January 31, 2023 (Forecast)			—	19.00	39.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

3. Forecast of non-consolidated financial results for the year ending January 31, 2023 (from February 1, 2022 to January 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	8,798	8.6	1,147	13.6	1,150	11.4	797	9.4	75.01

Note: Revisions to the forecast of non-consolidated financial results most recently announced: None

*** Notes**

- (1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of July 31, 2022	10,627,920 shares
As of January 31, 2022	10,627,920 shares

(ii) Number of treasury shares at the end of the period

As of July 31, 2022	2,376 shares
As of January 31, 2022	2,376 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended July 31, 2022	10,625,544 shares
Six months ended July 31, 2021	10,625,544 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters
(Caution regarding forward-looking statements, etc.)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, the statements herein do not constitute assurances regarding the Company's actual results. Actual financial and other results may differ substantially from the statements herein due to various factors.

Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of January 31, 2022	As of July 31, 2022
Assets		
Current assets		
Cash and deposits	3,554,199	3,718,069
Notes and accounts receivable - trade	1,011,154	1,231,248
Work in process	950	7,740
Raw materials and supplies	3,637	3,522
Other	51,712	56,250
Allowance for doubtful accounts	△6,000	△7,300
Total current assets	4,615,653	5,009,531
Non-current assets		
Property, plant and equipment	82,431	85,104
Intangible assets	37,143	35,865
Investments and other assets		
Leasehold and guarantee deposits	84,959	94,927
Other	268,796	281,700
Total investments and other assets	353,755	376,627
Total non-current assets	473,330	497,597
Total assets	5,088,983	5,507,129
Liabilities		
Current liabilities		
Income taxes payable	232,197	242,337
Provision for bonuses	141,450	145,833
Other	553,556	642,903
Total current liabilities	927,204	1,031,074
Non-current liabilities		
Provision for retirement benefits	579,533	631,833
Total non-current liabilities	579,533	631,833
Total liabilities	1,506,737	1,662,907
Net assets		
Shareholders' equity		
Share capital	238,284	238,284
Capital surplus	168,323	168,323
Retained earnings	3,171,444	3,433,361
Treasury shares	△739	△739
Total shareholders' equity	3,577,312	3,839,229
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4,933	4,992
Total valuation and translation adjustments	4,933	4,992
Total net assets	3,582,246	3,844,221
Total liabilities and net assets	5,088,983	5,507,129

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended July 31, 2021	Six months ended July 31, 2022
Net sales	3,980,588	4,522,954
Cost of sales	2,478,448	2,890,578
Gross profit	1,502,139	1,632,375
Selling, general and administrative expenses	935,370	941,471
Operating profit	566,769	690,904
Non-operating income		
Interest income	0	0
Dividend income	150	141
Commission income	304	286
Sales income of training materials	579	519
Dividend income of insurance	6,048	—
Subsidy income	6,019	—
Gain on forfeiture of unclaimed dividends	689	633
Other	480	235
Total non-operating income	14,273	1,817
Non-operating expenses		
Interest expenses	—	130
Cancellation penalty	372	727
Other	227	0
Total non-operating expenses	600	858
Ordinary profit	580,442	691,862
Extraordinary income		
Gain on sale of non-current assets	25,523	—
Total extraordinary income	25,523	—
Extraordinary losses		
Loss on retirement of non-current assets	0	—
Total extraordinary losses	0	—
Profit before income taxes	605,965	691,862
Income taxes - current	198,981	225,249
Income taxes - deferred	△13,020	△13,126
Total income taxes	185,961	212,122
Profit	420,004	479,740

Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended July 31, 2021	Six months ended July 31, 2022
Cash flows from operating activities		
Profit before income taxes	605,965	691,862
Depreciation	14,076	12,746
Increase (decrease) in allowance for doubtful accounts	1,100	1,300
Increase (decrease) in provision for bonuses	△250	4,383
Increase (decrease) in provision for retirement benefits	40,181	52,300
Interest and dividend income	△151	△141
Interest expenses	—	130
Gain on sale of non-current assets	△25,523	—
Decrease (increase) in accounts receivable - other	△5,339	938
Decrease (increase) in trade receivables	△176,255	△220,094
Decrease (increase) in inventories	△2,915	△6,675
Increase (decrease) in accrued consumption taxes	△36,981	△41,638
Increase (decrease) in accounts payable - other	24,451	△34,358
Other, net	56,072	156,063
Subtotal	494,432	616,817
Interest and dividends received	151	141
Interest paid	—	△130
Income taxes paid	△167,618	△215,568
Net cash provided by (used in) operating activities	326,965	401,259
Cash flows from investing activities		
Purchase of property, plant and equipment	△3,909	△7,042
Proceeds from sale of property, plant and equipment	43,779	—
Purchase of intangible assets	△3,566	△4,444
Payments of leasehold and guarantee deposits	△64	△10,089
Proceeds from refund of leasehold and guarantee deposits	60	122
Other, net	△13	△13
Net cash provided by (used in) investing activities	36,286	△21,467
Cash flows from financing activities		
Dividends paid	△121,686	△215,921
Net cash provided by (used in) financing activities	△121,686	△215,921
Net increase (decrease) in cash and cash equivalents	241,565	163,869
Cash and cash equivalents at beginning of period	3,019,657	3,554,199
Cash and cash equivalents at end of period	3,261,223	3,718,069